GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Polavaram Irrigation Project - Investigation, survey, preparation of designs & drawings and LP schedules etc., (Balance) and (1) construction of Earth Dam Gaps I & III, Earth cum rock fill dam for Gap- II, Spill channel, Approach channel and Plot channel (2) Construction of Spillway with crest level + 25.72 m and its ancillary works and (3) Excavation of foundations of 960 MW Hydro Electric Power House, Approach channel, Intake structure, Tail race pool, Tail racer channel etc., of Polavaram Irrigation Project on EPC turnkey including O &M"- Relaxation of 47 clause of GCC - Orders - Issued.

WATER RESOURCES (PROJECTS-I.A2) DEPARTMENT

G.O.RT.No. 624 **Dated: 07-09-2018**

Read :-

From the ENC,PIP, Dowlaiswaram, Lr.No. ENC/PIP/DCE-1/OT.3/AEE-1/F01,Vol.1 Dated: 03-08-2018.

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ORDER:

In the reference read above, the Engineer-in-Chief, Polavaram Irrigation Project has submitted that the subject work was entrusted to M/s Transtroy-JSC-EC-UES (JV) vide E.P.C Agreement dated. 07-10-2016. As the contracting agency failed to achieve the required rate of progress as per programme in spite of repeated reminders from the Department, some part of balance works was deleted from the scope the original agency by invoking clause 60 (c) of PS to APDSS after giving due notice. The deleted works were entrusted to the willing agency M/s Navayuga Engineering Company Limited by the Government vide Memo No ICD01-19052/40/2018-PROJ-I-WRD, dated. 07-02-2018 and Memo. No. ICD01-19052/ 105/ 2018-PROJ-I-WRD, dated.11-05-2018.

2. While handing over the site to M/s Navayuga Engineering Construction Limited by M/s Transstroy- JSC "EC UES"-JV, some discrepancies in the quantities were observed and to make good to the work done quantity on the request of the agency M/s Transstroy- JSC "EC UES"-JV, it is proposed to recover an amount of Rs 101.48Cr from the agency M/s Transstroy- JSC "EC UES"-JV. As the main agency has requested for adjustment of the above proposed recovery from the 'Retention money' available with the department, it is proposed to adjust the same from the available retention money as per the Agreement Clause 47 of GCC of the agreement, which reads as follows.

(p.t.o)

47 Retention

47.1 The Engineer-in-Charge shall retain from each payment due to the Contractor @ the rate of 7.50% of bill amount until completion of the whole of the Works. Out of 7.50%, 2.50 % will be retained with the department in cash only. The retention amount so accumulated against remaining 5% will be released against the bank guarantee valid beyond 6 months from the date of completion of defect liability period, in spells of Rs. 50.00 Lakhs. However, at any point of time, the retention money with the department to an extent of 2.50% shall be in cash only.

47.2 "On completion of the whole works, out of total amount retained i.e. 7.5%, 5% will be re-paid to the Contractor along with final bill and balance i.e. 2.5% will re-paid when the defect liability period has passed and the Engineer In Charge keeping in view the recommendation of PMC has certified that all the defects notified by the Engineer In Charge/PMC to the Contractor before the end of this period have been rectified /corrected".

3. The Engineer-in-Chief, PIP, Head works, Polavaram has requested the Government to consider the proposals of the Chief Engineer, PIP on the following issues raised by PAO.

i) Permission for adjusting the difference amount of Rs.101,89,98,221/- from the retention money with held by the Department duly relaxing the clause 47 of GCC of the agreement.

ii) Ratification orders for having encashed the BGs of 52.00 Crores provided by the agency towards retention money and credited to work as cash through challans.

iii) Permission for deferring the Part-A Recoveries towards advances made to the suppliers i.e., installment amount of steel for Rs.7,70,96,503/- for the next two bills.

iv) Permission for processing the bills without extension of short validity period of BGs and Insurance for next two bills.

4. The Engineer-In-Chief also reported that the Clause 42.2.2 of GCC of Agreement and Clause 62 (b) of PS to APSS state as follows.

"In cases of over-payment or wrong payment made, if any, to the Contractor due to wrong interpretation of the provisions of the contract, the Andhra Pradesh Standard Specification or otherwise, such unauthorized payment will be deducted in the subsequent bills or final bill of the work, or failing that, from the bills under any contract with the Government or at any time thereafter, from his security deposits available with the Department."

Cont….3

5. Most of the works carried out by the original Agency are Earth work excavation (about 66%) which may not require rectification of defects and if payments for the work done under Diaphragm wall, Jet grouting cut offs etc. (which are in progress) are not made regularly, then it will adversely affect the progress of the works at this crucial juncture, ultimately delaying the realization of intended benefits of the project.

6. Government after careful consideration, hereby accord permission to the Engineer-in-Chief, PIP on the following issues.

i) Permission for adjusting the difference amount of Rs.101,89,98,221/- from the retention money with held by the Department duly relaxing the clause 47 of GCC of the agreement.

ii) Ratification orders for having encashed the BGs of 52.00 Crores provided by the agency towards retention money and credited to work as cash through challans.

iii) Permission for deferring the Part-A Recoveries towards advances made to the suppliers i.e., installment amount of steel for Rs.7,70,96,503/- for the next two bills.

iv) Permission for processing the bills without extension of short validity period of BGs and Insurance for next two bills.

7. This order issues with the concurrence of Finance (FMU-WR II) Department vide their U.O.No.57024/51/FMU.WR.III/2018, dated:07-09-2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SHASHI BHUSHAN KUMAR
SECRETARY TO GOVERNMENT

To
The Engineer-in-Chief, PIP, Dowlaiswaram
The Chief Engineer, PIP, Dowlaiswaram.

Copy To:

The Director of Works & Accounts, Ibrahimpatnam,Vijayawada
Finance (FMU-WR II) Department
The P.S to Minister (WRD)
The P.S to Secretary (WRD)
SF/SC

//FORWARDED::BY ORDER//

SECTION OFFICER